GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2781
ANSWERED ON:06.08.2015
Loss of Ship Building Companies
Patle Smt. Kamla Devi

Will the Minister of SHIPPING be pleased to state:

(a) whether the ship building companies have incurred huge losses due to global economic recession and higher interest rates;
(b) if so, the details thereof during each of the last three financial years;
(c) whether the Government proposes to allow loan restructuring by such companies;
(d) if so, the details and the objectives thereof; and
(e) the other steps taken/being taken by the Government for revival of ship building companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a)&(b):Yes, Madam. Some shipbuilding companies have incurred losses during last three financial years whose details are placed at Annexure.

(c)&(d):In so far as HDPEL is concerned, Cabinet has approved 'Revival-cum-Restructuring Plan' of HDPEL and waived off Government Loan and Interest and also approved J.V formation with Private Sector Company. In so far as HSL is concerned, the company has submitted a proposal for Financial Restructuring for an amount of Rs. 1209.81 crore to Ministry of Defence in 2014 and recently on 16.06.2015.

(e) Shipbuilding industry being globalised in nature, the present global downturn has also affected the domestic ship-building industry. The shipbuilding subsidy scheme was extended to all Indian shipyards on October 25, 2002. The subsidy scheme expired in 2007. The Government decided to liquidate the committed liabilities in the year 2009 for all the cases for which contracts had been signed by August 14, 2007, for another five years starting from the year 2009 and ending March 31, 2014 and accordingly, shipbuilding subsidy was released to Indian shipyards till March 31, 2014. Suggestions have been received by the Government of India from various stakeholders for promotion of local shipbuilding industry which include measures for financial assistance; grant of infrastructure status; domestic eligibility criteria; tax incentives and special dispensation for stressed shipyards. No time-lines for implementation of the suggestions can be given at this stage.
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Annexure
S.No
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(1) Name of Shipyard

(2) Losses (in crores)
2011-12
(3) 2012-13
(4) 2013-14
(5)
1. Alcock Ashdown (Gujarat) Ltd. Nil 96.56 73.61
2. Cochin Shipyard ltd. Nil Nil Nil
3. Garden Reach Shipbuilders & Engineers Ltd. Nil Nil Nil
4. Goa Shipyard ltd. Nil Nil 61.09
5. Hindustan Shipyard Limited(HSL) 85.98 55.17 46.21
6. Hooghly Dock & Port Engineers Limited (HDPEL) Nil 39.84 Nil
7. Mazagon Dock Ltd. Nil Nil Nil
8. Shalimar Works Ltd. 17.48 21.44 18.49
9. Dempo Shipbulding and Engineering Ltd. Nil Nil 9.60
10. ABG Shipyard Nil Nil 296.18
11. Bharati Shipyard 48.59 539.76 1025.84
12. Chowgule & Co. Ltd. Nil Nil Nil
13. Ferromar Shipping Pvt. Ltd. Nil Nil Nil
14. A.C. Roy & Comp. Ltd. Nil Nil Nil
15. Bristol Boats 0.55 0.96 1.20
16. Tebma Shipyards 12.73 Nil 66.69
17. L & T Shipbuilding Nil 136.82 355.11

18. N N Shipbuilders and Engineers Pvt Ltd. Nil Nil Nil
19. Pipavav Def. & Off. Engg. Co. Nil Nil Nil
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(Source: Shipbuilding Statistics 2013-14, Shipyards Association of India and Central Public Sector Shipyards)
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